

110TH CONGRESS  
1ST SESSION

# H. R. 1562

To amend the Internal Revenue Code of 1986 to extend and expand certain rules with respect to housing in the GO Zones.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 19, 2007

Mr. RANGEL (for himself, Mr. McCRERY, and Mr. LEWIS of Georgia) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to extend and expand certain rules with respect to housing in the GO Zones.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Katrina Housing Tax  
5       Relief Act of 2007”.

1 **SEC. 2. EXTENSION AND EXPANSION OF LOW-INCOME**  
2 **HOUSING CREDIT RULES FOR BUILDINGS IN**  
3 **THE GO ZONES.**

4 (a) TIME FOR MAKING LOW-INCOME HOUSING  
5 CREDIT ALLOCATIONS.—Subsection (c) of section 1400N  
6 of the Internal Revenue Code of 1986 (relating to low-  
7 income housing credit) is amended by redesignating para-  
8 graph (5) as paragraph (6) and by inserting after para-  
9 graph (4) the following new paragraph:

10 “(5) TIME FOR MAKING LOW-INCOME HOUSING  
11 CREDIT ALLOCATIONS.—Section 42(h)(1)(B) shall  
12 not apply to an allocation of housing credit dollar  
13 amount to a building located in the Gulf Oppor-  
14 tunity Zone, the Rita GO Zone, or the Wilma GO  
15 Zone, if such allocation is made in 2006, 2007, or  
16 2008, and such building is placed in service before  
17 January 1, 2011.”.

18 (b) EXTENSION OF PERIOD FOR TREATING GO  
19 ZONES AS DIFFICULT DEVELOPMENT AREAS.—

20 (1) IN GENERAL.—Subparagraph (A) of section  
21 1400N(c)(3) of such Code is amended by striking  
22 “2006, 2007, or 2008” and inserting “the period be-  
23 ginning on January 1, 2006, and ending on Decem-  
24 ber 31, 2010”.

25 (2) CONFORMING AMENDMENT.—Clause (ii) of  
26 section 1400N(c)(3)(B) of such Code is amended by

1 striking “such period” and inserting “the period de-  
2 scribed in clause (i)”.

3 (c) COMMUNITY DEVELOPMENT BLOCK GRANTS NOT  
4 TAKEN INTO ACCOUNT IN DETERMINING IF BUILDINGS  
5 ARE FEDERALLY SUBSIDIZED.—Subsection (c) of section  
6 1400N of such Code (relating to low-income housing cred-  
7 it), as amended by this Act, is amended by redesignating  
8 paragraph (6) as paragraph (7) and by inserting after  
9 paragraph (5) the following new paragraph:

10 “(6) COMMUNITY DEVELOPMENT BLOCK  
11 GRANTS NOT TAKEN INTO ACCOUNT IN DETER-  
12 MINING IF BUILDINGS ARE FEDERALLY SUB-  
13 SIDIZED.—For purpose of applying section  
14 42(i)(2)(D) to any building which is placed in serv-  
15 ice in the Gulf Opportunity Zone, the Rita GO Zone,  
16 or the Wilma GO Zone during the period beginning  
17 on January 1, 2006, and ending on December 31,  
18 2010, a loan shall not be treated as a below market  
19 Federal loan solely by reason of any assistance pro-  
20 vided under section 106, 107, or 108 of the Housing  
21 and Community Development Act of 1974 by reason  
22 of section 122 of such Act or any provision of the  
23 Department of Defense Appropriations Act, 2006, or  
24 the Emergency Supplemental Appropriations Act for

1 Defense, the Global War on Terror, and Hurricane  
 2 Recovery, 2006.”.

3 **SEC. 3. SPECIAL TAX-EXEMPT BOND FINANCING RULE FOR**  
 4 **REPAIRS AND RECONSTRUCTIONS OF RESI-**  
 5 **DENCES IN THE GO ZONES.**

6 Subsection (a) of section 1400N of the Internal Rev-  
 7 enue Code of 1986 (relating to tax-exempt bond financing)  
 8 is amended by adding at the end the following new para-  
 9 graph:

10 “(7) SPECIAL RULE FOR REPAIRS AND RECON-  
 11 STRUCTIONS.—

12 “(A) IN GENERAL.—For purposes of sec-  
 13 tion 143 and this subsection, any qualified GO  
 14 Zone repair or reconstruction shall be treated  
 15 as a qualified rehabilitation.

16 “(B) QUALIFIED GO ZONE REPAIR OR RE-  
 17 CONSTRUCTION.—For purposes of subpara-  
 18 graph (A), the term ‘qualified GO Zone repair  
 19 or reconstruction’ means any repair of damage  
 20 caused by Hurricane Katrina, Hurricane Rita,  
 21 or Hurricane Wilma to a building located in the  
 22 Gulf Opportunity Zone, the Rita GO Zone, or  
 23 the Wilma GO Zone (or reconstruction of such  
 24 building in the case of damage constituting de-  
 25 struction) if the expenditures for such repair or

1 reconstruction are 25 percent or more of the  
2 mortgagor's adjusted basis in the residence.  
3 For purposes of the preceding sentence, the  
4 mortgagor's adjusted basis shall be determined  
5 as of the completion of the repair or reconstruc-  
6 tion or, if later, the date on which the mort-  
7 gagor acquires the residence.

8 “(C) TERMINATION.—This paragraph shall  
9 apply only to owner-financing provided after the  
10 date of the enactment of this paragraph and be-  
11 fore January 1, 2011.”.

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